

NORTHERN FUNDS

NORTHERN ENGAGE360™ FUND (NENGX)

As of 03/31/21

FUND COMMENTARY

Markets around the world, as measured by the MSCI All Country World Index (ACWI), were broadly positive in the first quarter appreciating by 4.57%. Value outperformed growth for the second consecutive quarter as the MSCI ACWI Value appreciated 8.87% versus the MSCI ACWI Growth's return of 0.28%. U.S. equities, as measured by the S&P 500, posted a 6.17% gain in the quarter driven by increased vaccination rates and a \$1.9 trillion federal stimulus package. International developed markets, as measured by the MSCI EAFE Index, rose 3.48% led by energy and financials companies as well as European securities. Emerging markets, as measured by the MSCI Emerging Markets Index, appreciated 2.29% as eight of the eleven economic sectors posted positive results for the quarter.

The Fund slightly outperformed its benchmark, the MSCI ACWI, in the quarter appreciating 4.68% compared to the benchmark return of 4.57%. The Fund's outperformance was largely attributable to stock selection and a slight tilt to lower price-to-book (a ratio used to compare a stock's market value to its book value) securities. Positive selection was most pronounced in the consumer discretionary and materials sectors. Regionally, stock selection in the U.S. and China added to relative performance.

Sub-advisers EARNEST and Aristotle added to the Fund's excess returns in the quarter. EARNEST's performance was driven by positive stock selection in health care and consumer discretionary holdings while Aristotle benefitted from stock selection in financials. The largest detractors to relative returns came from sub-advisers Ariel, Mar Vista, and ARK. Ariel's relative performance was driven by negative stock selection and country positioning. Mar Vista's negative excess return was a result of stock selection broadly across sectors while ARK's relative performance derived from negative stock selection in communication services holdings.

Please carefully read the summary prospectus or prospectus and consider the investment objectives, risks, charges and expenses of Northern Funds before investing. Call 800-595-9111 to obtain a summary prospectus or prospectus, which contains this and other information about the funds.

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| Performance as of 03/31/21 | | | | Annualized Returns | | | | | |
|----------------------------|-------|-------|--------|--------------------|--------|---------|-------------------|---------------------|-------------------|
| FUND | QTR | YTD | 1 Year | 3 Year | 5 Year | 10 Year | Since Inception * | Gross Expense Ratio | Net Expense Ratio |
| Northern Engage360™ Fund | 4.68% | 4.68% | 56.79% | 11.52% | N/A | N/A | 10.82% | 0.78% | 0.70% |
| MSCI ACWI Index | 4.57% | 4.57% | 54.60% | 12.07% | N/A | N/A | 11.48% | | |

*Inception Date- 11/20/17

Performance quoted represents past performance and does not guarantee future results. Investment return and principal value will fluctuate so that shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than that shown here. Performance data current to the most recent month end is available by calling 800-595-9111.

The Gross and Net Expense Ratios are as of the most recent prospectus. The Net Expense Ratio includes contractual expense reimbursements that, if not extended, will end on July 31, 2021.

Not FDIC insured | May lose value | No bank guarantee

Please remember that all investments carry some level of risk, including the potential loss of principal invested. They do not typically grow at an even rate of return and may experience negative growth. As with any type of portfolio structuring, attempting to reduce risk and increase return could, at certain times, unintentionally reduce returns.

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